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THE AGRICULTURAL SITUATION

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A Brief Summary of Economic Conditions

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IN THIS ISSUE

	Page
Commodity Reviews.....	2
Regional Production Round-up:	
Production Adjustments Ahead.....	6
The Northeast.....	9
Appalachian Region.....	12
The Southeast.....	15
South Central Region.....	21

A WARTIME Christmas for the fourth successive year again finds American farmers with another year of record agricultural production—this year total production was the highest in history, 33 percent above the average for the five pre-war years, 1935–39. For this achievement by the Nation's farmers, America and her allies are thankful. * * * But, unfortunately, an early European victory is not in sight, with total food requirements next year continuing at a very high level. This means American farmers in 1945 will have to add another year of top production to their laurels. * * * During the first few months of 1945 the armed forces will face a shortage of 110 million pounds of chicken meat and so to alleviate the shortage, 100 percent of all live chickens marketed in major producing counties of Delaware, Maryland, Virginia, and West Virginia—the region where about half of the country's broilers are produced—must be set aside till military requirements are met. * * * Farm land values continued upward during the second and third quarters of 1944, but the volume of voluntary transfers was 10 percent below the same period in 1943. * * * Preliminary estimates place 1944 cash receipts from marketings of agricultural products somewhere around 20 billion dollars, nearly a billion dollars more than the 1943 record.

Commodity Reviews

TOBACCO

OVER-ALL consumption of cigarettes is continuing at the highest level in the history of the country. Although civilian consumption is running below last year, shipments to the armed forces abroad have increased sharply.

Total production in 1944 will probably reach 329 billion cigarettes, an increase of 20 billion over 1943. Of this number at least 110 billion (including Red Cross purchases and gift packages) will go to the armed forces abroad, the equivalent of about one-third of the total 1944 output. The supply available for civilian and military personnel in this country will be about 220 billion in 1944, compared with 258 billion in 1943.

Aside from the huge military requirements, other factors responsible for the current lack of sufficient supplies of cigarettes include shortages of factory labor and shipping containers and buying in advance of needs by consumers.

In the midst of the marketing season for one of the largest crops on record, demand for tobacco continues strong and prices relatively high. The 1944 crop of 1,809 million pounds is second only to the 1,880-million-pound crop grown in 1939. Production of all types shows an increase over 1943, but most of the increase is in flue-cured and burley, the major cigarette types.

Reflecting the high level of cigarette consumption, demand for most all grades of flue-cured remains strong and prices high, as the 1944 marketing season nears its end. With most of the crop already sold, it appears that the 1944 season average price of flue-cured will be about 42 cents per pound, compared with 40.2 cents for the 1943 crop and the all-time high of 44.4 cents in 1919.

Burley markets are scheduled to

open December 11, and in view of the strong demand for flue-cured and the high level of consumption of cigarettes, burley prices should be high again this season.

Although stocks of flue-cured tobacco are above most pre-war years, they, as well as stocks of other cigarette types, are lower than normal in relation to demand. With the large 1944 crop, the supply of cigarette tobacco for the 1944-45 season is above last year. Production in 1944 was greater than the 1943-44 season disappearance, with cigarette manufacturers allocated more tobacco from this year's crop than they used last season. With consumption probably near the peak for the war period, and after allowing for exports of about 400 million pounds, no further reduction in stocks is anticipated.

FEED GRAINS

THE 1944 corn and grain sorghum crops are the largest on record. Production of all corn—for grain, silage, hogging off, grazing, and forage—was estimated on November 1 at 3,258 million bushels, 4 percent larger than the previous record crop in 1942. Corn harvested as grain may total 2,900 million bushels this year, 2 percent more than in 1942.

Sorghum grain production, estimated at 160 million bushels on November 1, would be 50 percent larger than the previous record crop in 1942. Production of oats this year, indicated at 1,192 million bushels on November 1, would be 4 percent larger than 1943 but 12 percent smaller than 1942. Barley production this year, indicated at 287 million bushels, is the smallest since 1939.

Production of all wheat in 1944 is also at a record level, now estimated at 1,109 million bushels, 33 percent larger

than 1943 and 46 percent larger than the 10-year (1933-42) average.

Total supply of feed grains for 1944-45 (including estimated imports), plus the quantities of wheat and rye estimated to be fed in 1944-45, is somewhat less than the corresponding supply in either of the 2 previous years. On a per animal-unit basis, however, the supply per animal for 1944-45 may be materially larger than in the 1943-44 feeding year, but about the same as in 1942-43.

LIVESTOCK

A WIDER margin between prices for feeder and fat cattle than a year ago, together with larger feed grain supplies per animal unit, may result in the feeding of more cattle this winter than a year earlier.

Prices for fed cattle were at the highest levels of the war during the late summer and fall of 1944. Prices for such cattle may decline moderately as marketings increase in 1945, but these prices should be well maintained for at least the first half of the year.

Purchases of beef by the armed forces during the first half of 1945 may be larger than in the same period a year earlier. If marketings of fed cattle during the first half of 1945 are no larger than the large marketings in the same period of 1944, civilian supplies of such beef will fall far short of potential demand at ceiling prices.

The number of lambs to be fed this winter will be less than the number fed a year earlier and probably will be the smallest in at least 10 years. Feeding this year is expected to be smaller than last winter in the Corn Belt and in the main feeding areas of the West. But there will be a large increase in lamb finishing in the wheat fields of the Southern Great Plains.

A material reduction in pork output during the first 6 months of 1945 compared with the same period of 1944, together with large military and lend-

lease purchases, will result in much smaller civilian pork supplies than a year earlier.

Hog prices in the first half of 1945 probably will average higher than a year earlier, when they were near the support level. Ceiling prices for hogs weighing 240-270 pounds were increased from \$14 to \$14.75, Chicago basis, on October 30, primarily to encourage the feeding of hogs to heavier market weights.

As a further incentive for increased pork production, the support price weight range was extended to cover all Good and Choice butcher hogs weighing from 200 to 270 pounds on November 16. The previously announced support weight was 200 to 240 pounds. The present announced support price is \$12.50, Chicago basis, and extends through June 30, 1945.

DAIRY PRODUCTS

PRICES received by dairy farmers will decline less than seasonally from December 1944 through March 1945 and probably will average about the same as a year earlier. However, because of higher dairy production payments during the next few months, returns to dairy farmers will be at the highest level ever reported for that period. This will result in a milk-feed price ratio more favorable than other important livestock-feed price ratios.

Milk production in 1945 may reach 119 billion pounds if returns to dairy farmers, including dairy production payments, remain at about the same level as in 1944. Most of this increase is expected to come in the North Atlantic and East North Central regions because of increased cow numbers and more favorable feed supplies than in 1944. Because whole milk marketings are the general rule in these areas most of the increased production probably will be utilized in the manufacture of whole milk products, such as evapo-

Index Numbers of Prices Received and Paid by Farmers

[1910-14=100]

Year and month	Prices received	Prices paid, interest and taxes	Parity ratio ¹
1943			
January.....	181	156	116
February.....	184	158	116
March.....	192	159	121
April.....	197	160	123
May.....	194	162	120
June.....	195	163	120
July.....	193	164	118
August.....	192	164	117
September.....	193	164	118
October.....	194	165	118
November.....	194	166	117
December.....	196	167	117
1944			
January.....	196	168	117
February.....	195	169	115
March.....	196	169	116
April.....	196	169	116
May.....	194	169	115
June.....	193	170	114
July.....	192	170	113
August.....	193	170	114
September.....	192	170	113
October.....	194	170	114
November.....	193	171	115

¹ Ratio of prices received by farmers to price paid, interest, and taxes.

rated milk, dried whole milk, and American cheese, especially if non-civilian demands for these products remain fairly large.

In the West North Central States, slight declines in milk production are probable if manpower difficulties continue and if present price relationships among dairy products are maintained. As a consequence, 1945 creamery butter production in that area may drop below 1944.

Milk production per cow during October and November exceeded the equivalent output in 1943 for the first time this year—production per cow ran behind in all preceding months. Dairy pasture conditions in October likewise improved generally throughout the country, being above average on the first of the month. Because of improved feed supplies and because of dairy production payments, not in effect until nearly the end of last year, rates of feeding generally were much heavier this fall than a year earlier.

Reflecting manpower difficulties in dairy areas, the percentage of cows milked this fall was low, being only about 66 percent of all milk cows on November 1, the lowest for that date since 1925. This is the only unfavorable aspect of the milk production picture at the farm level.

COTTON

THE 1944 yield of cotton is now expected to be 295.3 pounds per acre, nearly 8 percent above the previous record in 1942 and 30 percent above the 1933-42 average. All-time record yields were indicated for Alabama, Arkansas, Georgia, Mississippi, North Carolina, and Virginia.

This record yield is being achieved from 20,098,000 harvested acres, about 24 percent smaller than the 1933-42 average and the smallest acreage of any year since 1895. Reasons for the acreage being smaller than in other recent years include: (1) Unfavorable weather at planting time; (2) availability of alternative crops, with more returns in many areas; and (3) tight labor situation, which made a shift from cotton to less labor-intensive crops desirable.

The tight labor situation is one of the principal causes for the relative delay in harvesting the 1944 crop, currently estimated at 12,359,000 bales or only 1 percent below the 1933-42 average. The tight labor situation is also partly the cause of the further advance in picking rates from \$1.66 for 100 pounds of certain cotton in 1943 to a record high of \$1.92 per 100 pounds this fall.

POULTRY AND EGGS

PRICES of poultry meat from December through March 1945 will be at ceiling levels. Supplies of chicken meat available for civilians will be far below that of the previous year. The 20-percent decline in the number of chickens raised in 1944 from that of

1943 and smaller quantity of broilers raised during the last half of 1944 than in the previous year both combine to place supplies short of civilian demand. Furthermore, large military requirements probably will take a good portion of the poultry marketed so that available supplies for civilian use will be significantly less than in the previous 2 years. Continued high consumer incomes and smaller supplies of other meat will further add to heighten an unsatisfied civilian demand.

Egg prices will decline seasonally for the next few months and probably will be somewhat lower than the corresponding months of 1943 and 1944. Because shell eggs are a proclaimed crop under the Steagall amendment, significant declines, however, are not expected.

Egg production during October continued at a record level, with an output of 273.2 million dozen. This was 10 percent above the quantity produced in October 1943 and 59 percent

above the 1933-42 average. This record output was the result of many favorable factors, among which was the largest number of layers on farms for any October—375 million—easier feed supplies, and very favorable weather.

TRUCK CROPS

EARLY winter truck crops had made generally satisfactory growth well into November, and, except where delayed by rains on the west coast, harvesting was progressing satisfactorily. By mid-November, fall truck crops in northeastern areas were largely harvested, although considerable acreages of beets, cabbage, carrots, and cauliflower in New York remained to be gathered.

In California, rains held up field work for 2 weeks prior to mid-November and limited harvesting. However, winter crops of artichokes, broccoli, cabbage, and cauliflower benefited from the additional moisture. In the

Prices of Farm Products

Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and State

	5-year average		November 1943	October 1944	November 1944	Parity price November 1944
	August 1909-July 1914	January 1935-December 1939				
Wheat (bushel).....dollars..	0.884	0.837	1.37	1.42	1.43	1.51
Corn (bushel).....do.....	.642	.691	1.05	1.13	1.06	1.10
Oats (bushel).....do.....	.399	.340	.752	.659	.602	.682
Rice (bushel).....do.....	.813	.742	¹ 1.90	1.70	1.74	1.39
Cotton (pound).....do.....	12.4	¹ 10.34	19.40	21.25	20.73	21.20
Potatoes (bushel).....dollars..	.697	.717	1.33	1.42	1.43	1.24
Hay (ton).....do.....	11.87	8.87	14.50	15.20	15.60	20.30
Soybeans (bushel).....do.....	² .96	.954	1.80	2.04	2.05	² 1.64
Peanuts (pound).....cents..	4.8	3.55	7.12	7.71	8.08	8.21
Apples (bushel).....dollars..	.96	.90	2.24	2.05	2.10	1.64
Oranges, on tree, per box.....do.....	⁴ 1.81	1.11	2.24	2.70	2.07	² 2.01
Hogs (hundredweight).....do.....	7.27	8.38	12.90	13.80	13.50	12.40
Beef cattle (hundredweight).....do.....	5.42	6.56	¹ 10.60	11.60	11.60	9.27
Veal calves (hundredweight).....do.....	6.75	7.80	¹ 12.40	12.90	12.90	11.50
Lambs (hundredweight).....do.....	5.88	7.79	11.90	12.20	12.20	10.10
Butterfat (pound) ³cents..	26.3	29.1	50.9	50.3	⁶ 50.7	47.8
Milk, wholesale (100 pounds) ³dollars..	1.60	1.81	3.39	3.34	⁷ 3.39	⁶ 3.06
Chickens (pounds).....cents..	11.4	14.9	24.3	23.8	24.0	19.5
Eggs (dozen).....do.....	21.5	21.7	47.1	38.8	43.4	⁶ 47.1
Wool (pound).....do.....	18.3	23.8	¹ 40.3	40.3	40.4	31.3

¹ Revised.

² Comparable base price, August 1909-July 1914.

³ Comparable price computed under sec. 3 (b) Price Control Act.

⁴ Comparable base price, August 1919-July 1929.

⁵ Does not include dairy production payments made directly to farmers by county AAA offices.

⁶ Adjusted for seasonality.

⁷ Preliminary.

desert valley areas of the State, rains did not interfere materially with operations and crops made fair progress.

In Texas, weather was favorable for plant growth and harvest, but continued dry weather delayed field work in the nonirrigated districts. Temperatures favored development of snap beans, eggplant, peppers, and tomatoes. Hardy crops such as beets, cabbage, carrots, cauliflower, and spinach made rapid growth, but a widespread outbreak of blue mold and some worm damage lowered yield prospects for early spinach.

In Florida, weather was generally favorable, though additional rain over most of the State would be beneficial. Crops planted or transplanted immediately after the October hurricane were generally making good progress.

FRUIT

THE 16 million tons of fruit produced in 1944 sets a new record. Production of deciduous fruit amounted to approximately 9.5 million tons, 18 percent more than in 1943 and 5 percent more than the 5-year (1935-

39) average. Production of citrus fruit in 1944 amounted to about 7 million tons—a record large production.

The new 1944-45 citrus crop, now being marketed, is expected to be only about 6 percent smaller than the record large 1943-44 crop despite heavy hurricane losses in Florida. The orange crop is expected to be nearly as large as last season but the grapefruit crop about 15 percent smaller.

Available from storage stocks for consumption fresh will be cranberries and grapes until early winter and apples and pears until spring. Approximately one-half of this year's crop of deciduous fruit is being used fresh and the remainder processed. In contrast, about 70 percent of last season's crop of citrus fruit was used fresh and the rest processed.

A strong demand for fruit continued throughout 1944, with prices received by farmers generally averaging near the high levels of 1943 and about twice those of the 1935-39 period. The present strong market for fresh fruit is expected to continue during late fall and winter.

Production Adjustments Ahead

ONCE more the Nation's farmers have delivered in full measure to meet the insatiable needs of war. Once again, and for the sixth successive season, the volume of total agricultural output has topped the previous year, with 1944 output a third higher than the average for the 5 pre-war years of 1935-39. This is a record to be expected of the patriotic farmers of a nation at war if all the resources needed in agricultural production had been fully available. But it represents, instead, the achievement of an agricultural plant operated under serious handicaps.

Systems of farming have been subjected to radical change in some regions, and everywhere ways have had to be devised to counteract shortages of skilled farm labor. The newer farm machinery has had to be carefully husbanded and the old patched up and made to do. Certain of the fertilizer constituents have been relatively scarce in relation to the quantities farmers wanted to buy and sometimes available only in unfamiliar forms. Shortages of feed grains and concentrates have developed in some regions, and farmers have had to experiment with the use of new feeds

and the production of unfamiliar crops. Despite the generally favorable weather, late wet springs in the past 2 years have taxed the ingenuity of farmers in getting crops planted.

Over against these handicaps have been the advantages of entering the war period with large reserves of feed, with a farm plant much of which was stocked with relatively new labor-saving, mechanized equipment and with land that could be temporarily shifted to producing the more intensive crops needed for direct human consumption.

Farmers have capitalized further on the increased yields from hybrid corn. While this is spectacular, it is but indicative of the wartime increases in yield of a multitude of crops. In 1944, for example, on less than half the former cotton acreage, farmers produced 85 percent as much cotton as in the average year of the 1923-32 period. This was made possible by increasing the rate of fertilizer application per acre and by fertilizing more acres than in earlier years. With fewer acres in cotton, the crop is now being grown on the more productive land, and here, too, improvements in varieties are registering their effect. The acreage in winter cover crops in 1934 was 324 percent of that for the 1935-39 period, and much of this was also in the South, where soils are especially vulnerable to erosive forces during the winter months.

Livestock production parallels this record of crop achievement. Nearly 108 million animal units of productive livestock (exclusive of horses and mules) are on farms as 1944 draws to a close, a number some 16 million animal units above the previous record in 1934 and some 23 to 28 million animal units above the general level for the three decades prior to Pearl Harbor.

More feed was fed to livestock in 1942-43 than ever before, with the 1943-44 feeding year a close second. Such large numbers have taken not only more feed in total but increasing supplies of oilseed meals have more

than offset the decreases in animal protein feeds to permit wartime rates of consumption of high protein feeds in total that have averaged well above the immediate pre-war period and still further above the consumption rates for the years 1926-34. Indeed, it is now estimated on the basis of suggested livestock goals and the probable production of high protein feeds that it is possible in 1944-45 to use high protein feeds at a rate resulting in much the highest consumption on record. Livestock production per unit, like that for crops, has responded to improved practices such as better feeding, better care, and improvements in breeding.

These man-made efforts have been underwritten by a continuing period of generally favorable weather, but weather alone can be credited with only 8 to 10 points of the 33-point rise in the index of total agricultural output over that prevailing in 1935-39.

This quick review of recent production trends may be helpful in considering production in 1945 and the years ahead. Increases in production efficiency will probably be even more pronounced when all the resources normally available for agricultural production are again at hand. Current achievements definitely indicate the ability of the Nation's farm production plant to deliver for another wartime year (assuming average weather conditions)—and as many in the future as may be required.

For the year ahead, meeting the needs of an adequate supply of monthly and seasonal labor in all parts of the Nation may be the most troublesome bottleneck. In the fortunate event of an early VE-day, some returning war workers, and even some soldiers, may assist in the 1945 harvest, but it would be much safer to count on carrying on with the present improvised labor force.

Steel is now available to meet the needs for farm machinery, with manufacturing production schedules promising to bring relief for numerous types

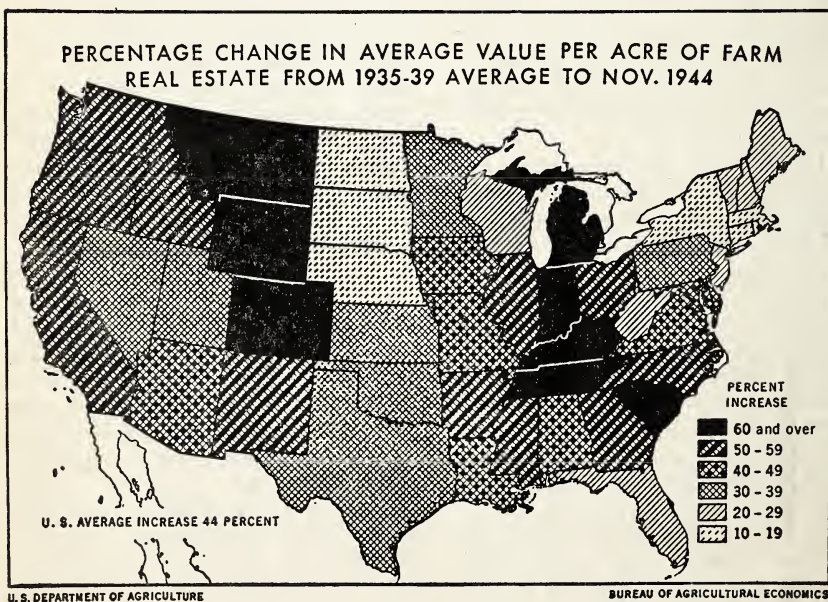
of equipment. Here again, however, realization of production schedules will depend upon the skilled labor available to manufacturers. Farmers are not likely to be able to buy all the new machines they want for 1945. It will still pay to depend upon the machinery on farms in 1944 to do the bulk of the 1945 production job. Potash supplies will probably exceed those for 1944, with the quantities of nitrates and phosphates approaching that level but still dependent upon the fortunes of war.

Concentrate feed supplies will be more than adequate for prospective livestock numbers in 1945. Hay should be abundant in most areas, and the pasture season should open in generally good condition. All in all, the problems facing farmers in maintaining wartime levels of production for another year should be no greater, if as great, as those of the past season.

Each additional year of wartime production, however, makes greater inroads upon the Nation's fertility reserves, results in increased problems of weed and pest control, and otherwise violates some of the important agri-

nomic and biologic principles temporarily abandoned in the continuous wartime production of the more strategic products. In some regions the production trends have already accelerated desirable adjustments for the post-war years. In others, considerable time and effort will be necessary to return again to proper crop rotations and the development of balanced systems of farming to conserve resources and yield profitable levels of farm living.

Many had hoped that an early capitulation in Europe would relax the strain of producing for all-out war, but continued high level production of most products will be needed in 1945. We are, however, 1 year nearer the firing of the last shot over Tokyo. Enough has been said to indicate the tremendous potentialities of the Nation's agricultural plant in wartime and its implications for abundant post-war production. Farmers will do well to husband their wartime gains and to study carefully the means by which physical and financial resources may be maintained or improved in post-war years.



This generalized statement of adjustments in farm production outlines a remarkable wartime development in the Nation's agricultural plant. This development has tremendous implications for the years of peace ahead. But first consideration must be given to the completion of wartime commitments—to the specific adjustments farmers are facing in 1945 in different regions of the country. What these production problems are in four of the

main agricultural regions of the country is summarized in the following reports on the Northeast, Appalachian, Southeast, and South Central States. The January issue of the *Agricultural Situation* will complete this regional round-up with reports on the Corn Belt, Lake States, Great Plains, and Western States.

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The Northeast

NORTHEAST agriculture in 1945 has both the incentives and the means to continue at a high level of food production, with most farmers of the region¹ finding it profitable to operate at capacity. With the national feed situation more favorable and with further shifts to tractor operation, there will be less reason than in 1944 to grow feed grains, permitting larger acreages of food crops. War industry conversion may result in less off-farm work for both full-time and part-time farmers in 1945 and may also change the demand picture in some markets. But the big adjustment problems facing northeast agriculture relate to later years rather than 1945.

Dairying

Milk production, the dominant enterprise in northeast farming, has possibilities in 1945 of equaling the record level of 1942. Cow numbers on January 1, 1945, probably will be higher than a year earlier, and price relationships are likely to be such as to encourage heavy feeding and good production per cow. Although demand for fluid milk will be generally high in 1945, it may not be equally good in all markets, as an early end of the European war with resulting reconversion problems might reduce

employment and consumer demand in some cities.

What can northeast farmers do on their own farms to best meet the generally high demand for milk in 1945 and to be prepared for the unknown of the post-war period? The best solution seems to lie in the direction of further efforts to increase the efficiency of milk production. The most promising methods for the next few years probably are forage improvement and the wider adoption of new techniques for haying and doing chores.

Forage Improvement

Forage improvement includes various steps to obtain more and better feed during both the barn-feeding and the pasture seasons and thereby to increase production per cow and hence low-cost milk. A common recommendation is to increase forage yields to a point that a cow could be carried adequately on no more than 1 acre of permanent pasture and 2 acres of cropland, some of the latter furnishing pasturage during the late summer. Individual farmers are already meeting or exceeding this goal, but to date farmers are not completely agreed as to the profitableness of certain steps such as improving permanent pastures. The evidence seems to indicate it will pay on the majority of northeast farms to improve an acreage that can be utilized efficiently during the flush

¹ New England, New York, Pennsylvania, New Jersey, Delaware, Maryland.

growth period of May and June. It is generally agreed, however, that the big pasture problem and the greatest opportunity for improvement is during late summer when permanent pastures produce very little and reliance must be placed on other types of pasture.

Forage improvement programs require years for widespread adoption; but with high demand for milk and satisfactory farm incomes in prospect for the coming year, 1945 should be a good time to make some real progress. The first objective of such programs, of course, is more efficient milk production, but they might also free large acreages of land for other uses. For example, the Northeast now uses about 15 million acres of permanent pasture and considerable woodland areas for pasturing 5 million roughage-consuming animal units. Even with a considerable increase in livestock and in roughage consumed per animal, particularly during the late summer, several million acres of pasture could be released for other uses such as cropping or forestry and recreation if extensive progress were made in pasture improvement.

Labor Techniques

Opportunities are great to increase output per man and to obtain better forage on dairy farms through recently developed techniques. One such opportunity is improvement in haying methods to lessen the labor load during that season. A number of new developments, such as grass silage, buck-rakes, pick-up balers, and mow driers, having entered the picture. All of these have been aimed either at more efficient use of labor, at better roughage, or both. Tremendous war demands for food, along with labor shortages, have undoubtedly hastened the development of such devices. It is too early to be certain of the future of these methods, but it is likely that most of them will expand in use. In any case, it seems clear that haying can become less of a problem and also that better hay can be obtained, with

additional progress in this direction quite probable in 1945.

The traditional 10 minutes to milk a cow has meant that it required 2 man-hours for hand milking a herd of 12 cows. This, plus other chores in barns not too well arranged for efficiency, has restricted the average number of cows handled per man to about 8-10. Now farmers using quick milking practices are milking cows at much faster rates. In New Hampshire, for example, 2 farmers with a milking machine milked 30 cows in 37 minutes. Perhaps conditions were ideal on this farm, but better records will undoubtedly occur. It seems reasonable that this procedure might eventually reduce milking time on most commercial dairy farms to perhaps one-half the customary time at present. It is probable that more milk per cow will result directly from the practice, but its biggest possibilities seem to lie in the fact that it permits the labor force to handle a much larger herd.

Poultry

Although northeast poultry producers during the early part of 1944 were faced with a feed shortage which did not become serious, the biggest problems of poultrymen in 1944 were those of markets and price relationships. But on the whole, bird numbers held up remarkably well, and new egg production records will be set in 1944 both for the region and for the United States. There is no prospect of a poultry feed shortage in 1945.

Egg production, both in the United States and in the northeast, probably will be lower in 1945 than in 1944. More eggs may be available for civilians, however, because of prospective declines in lend-lease requirements for dried eggs. Producers may encounter some marketing and price problems in the spring of 1945, and adjustments to meet such a situation next spring may be difficult. But in later years egg producers might review the question of seasonal costs and returns and possibly shift toward heavier fall production and lighter spring production.

An important feature of the north-east poultry industry is its organization by size of flock. In 1940 about 70 percent of the chickens were in flocks of less than 700 birds and, roughly, 10 percent were in flocks of less than 50. The wartime expansion has taken place in all types of flocks, but the outstanding increase generally has been in flocks of less than 700 on general farms or on part-time farms and rural residences. Problems are quite different with flocks of this type than those with the large-scale specialized type of flock. With the smaller flocks, labor often is supplied entirely by the family, and in the case of general farms the feed may be largely home-grown. Because such production, even though based on lower production per bird, is less sensitive to changing price relationships than production by the specialized type of flock, it might better withstand the possibility of severe interregional competition in the post-war period.

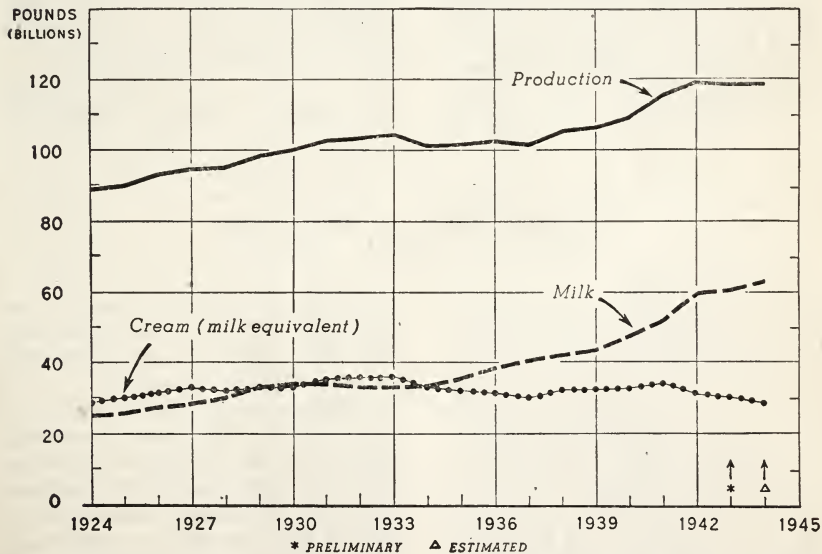
The Northeast poultry industry has

developed on the basis of nearby markets for fresh, high-quality eggs, and high-production efficiency. In the post-war period it may be more important than ever before to maintain the lead in efficiency and quality of production.

Potatoes

The 1944 potato crop is the second largest since 1934 for the United States and also for the Northeast. Nevertheless, if prospective noncivilian requirements are met, civilian consumption per capita from this years' crop will be about as low as for any year on record. It seems likely that potatoes from the 1944 crop will sell generally at levels close to ceilings and that producers will plant the 1945 crop in an optimistic frame of mind. Furthermore there will be less incentive than in 1944 to plant feed grains. The result could easily be an acreage of potatoes higher than this year and with average yields, a production considerably above that of 1944.

**MILK PRODUCTION ON FARMS AND QUANTITIES SOLD WHOLESALE
AS WHOLE MILK AND AS CREAM, UNITED STATES, 1924-44**



Some leading Northeast areas probably are growing more acres of potatoes than can be maintained indefinitely without sacrificing soil productivity and crop yields. At the same time there are real possibilities of increasing potato yields and production efficiency in the Northeast, even in those areas already having high yields. This can be done partly by wider adoption of long-recommended practices such as use of improved seed, green manure, suitable rotations, and adequate fertilization. Other possibilities lie in more recent developments such as irrigation, new varieties, contour cropping, improved spraying through spray rings, and various methods of fertilizer placement. Greater use of these practices, both old and new, will help potato growers meet the relatively high requirements of 1945 without much increase in acreage and be prepared for the uncertainties of later years.

In the post-war period some changes in Northeast potato acreage may be desirable. Maine in particular has expanded potato acreage materially and some reduction may be indicated in the long-time interest of sustained crop yields. New Jersey likewise with a large increase has the further problem of a short marketing season and insufficient storage facilities. In several Northeast States, a post-war re-

duction in production of soybeans for oil would release land—some of which could be used for potatoes, vegetables, or soybean hay. In New York and Pennsylvania a large share of the crop is still produced on farms growing less than 10 acres of potatoes. Although spray rings have made small acreages more feasible, it is likely that the trend will continue toward larger acreages per farm.

Truck Crops

Northeast vegetable acreage, both for processing and fresh market, has expanded to meet war needs but some further increase is possible in 1945, particularly with an improved labor situation as indicated.

From a longer time point of view the question of interregional competition in the vegetable industry becomes important. Improvements in transportation may bring distant producing areas closer to Northeast markets in terms of time and cost. Expansion of quick freezing, however, may tend to favor areas of most efficient production. A large part of the Northeast vegetable industry is based on favorable production conditions as well as nearness to market, and with continued improvement in methods should be able to at least maintain itself.

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Appalachian Region

AGRICULTURAL adjustments in the Appalachian region—Virginia, West Virginia, North Carolina, Kentucky, Tennessee—have been influenced by three conflicting conditions: (1) The worst drought in many years over large segments of the region in 1944, (2) determined effort of farmers to keep wartime agricultural production high and take advantage of high incomes made possible by high prices, and (3) increasing concern over

the need for quick adjustments to be made at the close of the war—for conserving land resources and maintaining balanced farming systems.

The 1944 drought, most critical in Kentucky and Tennessee, threatened forage and pasture production, bringing temporary pressure for immediate reduction in livestock numbers. Short water supplies added to the difficulties of retaining livestock. Prospects for less home-grown feed supplies at a

time when feeds are high priced relative to livestock further helped the liquidation along.

But continued wartime demand for farm products of the region means that production must be kept at maximum capacity for at least another year. In fact, increases above 1944 levels for some products are needed if prospective goals are to be attained.

For the long-term picture, though, farmers feel that they are near peak production now for many products, especially in view of prospective prices, costs, and the availability of production resources. They anticipate that sharp adjustments at the close of the war will be necessary to avoid temporary market gluts as well as the need to bring into effect greater conservation of soil resources just as rapidly as the tapering off of war demands will permit.

Tobacco—Cotton

Tobacco and cotton are the major cash crops. Peanuts, soybeans for beans, wheat, hemp for seed, seed crops, and certain truck crops have received special emphasis as war crops. Hemp for seed, which expanded sharply in 1943, lost its emphasis as a war crop and when price supports were withdrawn the acreage dropped to about the pre-war level. Seed crop acreages in 1944 continued their expansion over 1943, with some further gains indicated for 1945. Truck crops, including potatoes, after a decline in 1944 from the high level of 1943, show considerable capacity for expansion in the year ahead. Labor will be a seriously limiting factor.

Tobacco is the dominant source of cash farm income of the region. At current prices it provides a very favorable return to the farmers for labor and resources, may be expected to out-compete other enterprises and will get first claim on these resources where it is grown. The 1944 acreages of burley and flue-cured tobaccos, the dominant types grown in the area, were up 15 to 20 percent over 1943. Present cost-return relationships for

tobacco will encourage farmers to press for higher tobacco acreages, up to and even beyond quotas now prevailing. Expansion, particularly in the border areas, may be expected as farmers seek the most immediately profitable use of their labor and land.

Increased fertilization for higher tobacco yields under existing high tobacco prices may be expected if the supply of suitable fertilizer is available. Although labor and barn space have been short in some areas, the present and near-term profitability of the tobacco crop will see these limitations overcome. Much tobacco is grown on small farms where the work is done by family labor or on larger farms where tenant labor is available, so that the necessary labor supply is flexible and adjusted to tobacco production in preference to other needs.

Over the longer period ahead tobacco acreage and production will have to be adjusted to available market outlets, gradually shifted toward areas where family labor can handle the crop, and to the soils which produce relatively high-quality leaf. Emphasis on heavy application of fertilizers and manures, and on the use of winter cover crops in the tobacco rotation may be expected to continue.

Cotton acreage seems to have stabilized at about 10 percent below the 1937-41 level. As a longer time adjustment even further reduction is in prospect, particularly in the upland areas where the control of erosion is difficult. Some shift of cotton acreage to better land, and heavier applications of fertilizer would maintain production even with fewer acres of cotton. The delta areas will probably continue a fairly rigid cropping system with cotton acreage near or above the 1944 level.

Peanuts—Soybeans

Peanuts picked and threshed averaged 393,000 acres for the period 1937-41. Under pressure of war for more peanuts, acreage moved up about one-fourth by 1943 and is holding slightly below that level. Except for

some of the harvesting operations, the crop lends itself to mechanization and fits well in an intensive cropping system. A continued high level of production may be maintained during the war, but the return to peace may bring a quick curtailment of acreage both in the interest of conservation of land resources, and to balance supplies with prospective needs.

Expansion of soybeans (harvested for beans) was encouraged in the region as the need for vegetable oils increased. Except for delta areas and to a lesser extent the coastal plains, the crop proved rather disappointing in this region as a means of increasing food supplies. Droughts in both 1943 and 1944 added to the limitations farmers otherwise experienced. Comparatively low yields, the competition of expanded livestock enterprises for legume hay, and the soil-depleting effects of the crop, all mitigated against soybean expansion, especially outside of delta areas. The post-war period should see a gradual withdrawal of farmers in the uplands from soybeans both for beans and for hay in favor of more satisfactory feed crops.

The acreage of soybeans for beans in 1943 was more than double that of the pre-war period 1937-41, but a 5-percent decline occurred in 1944. Under considerations for the wartime needs, State agricultural workers have estimated that a 30-percent increase in the 1945 acreage over that planted this year is possible. However, competition from other crops, high costs for contract harvesting, and soil-depleting effects are serious limitations to such an attainment.

Wheat—Potatoes

Wheat production, most of which is on a commercial basis in the Appalachian region, increased about 20 percent during 1944 and was slightly above its pre-war level of 1937-41. Post-war adjustment should replace a part of the wheat acreage with feed grains, particularly in some areas such as western Tennessee and Kentucky where livestock enterprises are an

expanding part of the farming system.

Other minor crops of the region, such as potatoes and sweetpotatoes, were down in 1944 compared to the previous year, but can expand in 1945.

Livestock—Feed

Even though livestock numbers, except for workstock, sheep and lambs, were higher on January 1, 1944, than a year earlier, downward adjustments in all livestock occurred during 1944. This was probably more marked in Tennessee and Kentucky where weather was most unfavorable. The reduction in livestock has been carried too far for normal weather conditions, and is so indicated in the 1945 production adjustment suggestions for livestock numbers to be fed from 1944 crop production.

Workstock have continued a long-time decline, in progress for many years, while sheep and lambs have been reduced in the war period partly because of the inroads made by crop expansion onto pasture lands, and partly because of the relatively more favorable use of land for other livestock enterprises.

Suggested goals for 1945 call for an increase of sheep and lamb numbers to about the 1943 level, 20 percent less hens and pullets than in 1944, and small increases in milk cows, though holding total cattle and calf numbers a little below 1944. Total sows to farrow in 1945 would be approximately the same as in 1944.

The feed-grain and hay-crop acreages in 1944 were about the same as in 1943. Corn, all tame hay, and sorghums were up slightly, while oats and barley for grain were down. Capacity to provide more feed for livestock is indicated generally throughout the region. The main increases could come from: (1) larger acreages of oats and barley for grain, (2) a better legume mixture in hays and pastures, (3) winter grazing of small grains both for harvest and for grazing only, (4) hay and pasture following small grain crops, (5) larger acreages of winter pasture, and (6) supplementary pas-

tures for summer grazing during periods of drought. The long-time adjustment in the feed-livestock situation could aim at this together with further extension of the lime and phosphate program to bring increased forage and pasture production.

Dairy cattle numbers could continue a gradual expansion over much of the region. Sheep and lamb numbers could remain fairly stable in the bluegrass pasture areas and probably resume the long-time downward trend elsewhere. Beef cattle will occupy the residual grazing and gain in numbers as greater pasture and feed resources, not needed in dairying, are made available. Hens and pullets will remain in a relatively strong competitive position in the region. In view of the probable trend away from row crops toward pasture and forage crops over much of the region, a larger percentage of the total concen-

trate feed will be needed by animals which utilize pasture and forage. Hog numbers, therefore, may be reduced below present levels.

Labor—Machinery

While labor shortages have been disturbing in local areas, the high flexibility of the labor supply of the region has again been demonstrated in 1944 in producing and harvesting a relatively large crop with very little loss. Not much change in the situation may be expected for the duration of the war. Limitations on production due to lack of materials are largely local and will so continue. Prospects are favorable for increased quantities of machinery, fertilizer, and seeds in the year ahead. The shortage of trucks and labor may still continue to hold the distribution of lime below that of previous years.

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The Southeast

A LATE, WET spring in the Southeast¹ resulted in a very poor planting season in 1944. Furthermore, large numbers of farm workers left the farm during 1943 and 1944 to accept employment in war industries. Largely because of these factors the 1944 acreage planted to crops in the region was nearly 1¼ million acres less than in 1943.

1944 Crop Changes

Tobacco, small grains, and lespedeza hay were the only major crops in 1944 to show increases over 1943. Significant decreases occurred in the acreage of cotton, peanuts, corn, cowpeas, and soybeans. The increase in tobacco acreage resulted from very favorable outlets and prices for to-

bacco, whereas the increase in small grain and lespedeza—primarily on the larger farms—represents a trend to crops requiring less labor.

Idle Land

Almost 5 million acres of cropland in the Southeast, roughly a seventh of the total in the region, remained idle in 1944, but much of the idle land was of poor quality and should not be put back to intensive crop production. Conservation measures could be applied to the best idle land, with much of it seeded to lespedeza or other grasses, thereby affording some pasture and also retarding erosion. Some of the idle land could be returned to woodland because it is so low in fertility and so badly eroded.

The 1944 yields per acre of most major crops were considerably above the average of recent years. There-

¹ South Carolina, Georgia, Florida, Alabama, Mississippi.

fore, despite reduced acreages, the 1944 production of the major cash crops, cotton and peanuts, was considerably larger than in 1943.

Cotton

Unfavorable planting weather was primarily responsible for the low cotton acreage in 1944, which might have been nearer the 1943 acreage had the planting season been favorable. Anticipated labor shortages at harvest-time were also a factor holding down the acreage planted. Another factor was favorable prices for peanuts in areas where competition of the two crops for land is important. As a result, farmers gave preference to the planting of peanuts when planting weather was available. The combined acreage of cotton and peanuts planted was considerably below that of 1943, with cotton taking most of the reduction.

Favorable growing weather following the late wet spring, good harvesting weather, heavier applications of commercial fertilizer, and use of the better land all resulted in an 8-percent increase in cotton production on 8 percent fewer acres. Under present and prospective price and cost relationships, cotton will return a larger net income per acre than other crops in many areas of the region. But because cotton production requires large amounts of labor, many farms with a limited labor supply can be made more profitable by reducing cotton acreage still further, substituting crops requiring less labor.

Labor Factor

Slight increases in the cotton acreage on farms having an adequate labor supply appear feasible in areas such as the Mississippi Delta, high-yielding areas in the hill sections of Alabama and Mississippi, and in some parts of the Piedmont of South Carolina and Georgia, but decreases may be desirable in such areas as the Black Belt of Alabama and Mississippi, and in many sections of the Coastal Plains where

peanuts and other crops compete favorably with cotton for the use of labor and land.

Peanuts

Although the need for peanuts and peanut oil may not be as great in 1946 and later as during the last few years, about the same acreage and production as in 1944 appears desirable for 1945. With the prices likely to prevail in 1945, the returns from peanuts in suitable areas will compare favorably with competing crops.

The acreage of peanuts planted for hogging-off could be expanded profitably in 1945 to release locally produced corn for feeding other classes of livestock. Hogging-off of peanuts is both an efficient method of producing pork and a good soil-building practice. The peanut acreage hogged off in 1944 was below the goal and represented the smallest portion of the total "grown alone" peanut acreage in many years. The favorable price of peanuts in relation to hog prices is largely responsible for this situation. Prices in 1945 will be relatively more favorable than in 1944 to hogging-off peanuts.

Too many peanuts or not enough in relation to the amount of suitable land were grown in some areas of Georgia and Alabama in 1943 and again in 1944, and the goals programs have not given sufficient consideration to this situation. In such areas the suitable land on many farms is being used for peanuts once every 2 years or oftener. The result will be serious damage to the soil unless acreage is reduced to a point where suitable land is not used for peanuts more than once in 3 years. Outside the more concentrated areas, however, particularly in those coastal plain areas of South Carolina, Georgia, and Alabama, where relatively small acreages are being grown, possibilities are good for further expansion in 1945.

Tobacco—Potatoes

Under present and prospective 1945 price and cost relationships, tobacco, where its production is adapted, will

return larger net incomes per acre than competing crops. The acreage in 1944 was larger than in 1943. Tobacco in 1945 is likely to continue getting the first call for labor and land in areas adapted to its production. The acreage probably will be increased, and a slight increase appears desirable.

Indicated sweetpotato yields for 1944 are well above those of 1943, with the result that volume of production should be almost as great as an acreage 8 percent smaller. Some increase in 1945 acreage over 1944 in areas having marketing facilities, and in many areas for home use and feed, appears desirable.

No increase in the acreage of early Irish potatoes is suggested. Yields in 1944 were well below normal, yet substantial difficulties were encountered in marketing the crop. With normal yields next year, and an acreage no larger than in 1944, an adequate quantity of early potatoes would be produced. Some reduction in acreage appears desirable in Mississippi.

Feed Grains

The 1944 planted acreage of all small grains was 264,000 acres over 1943, but corn acreage declined by 500,000, resulting in less total feed grain production during 1944 than in 1943. Adverse planting weather and the priority of cash crops for the limited labor supply, along with increasing small grain acreages, was responsible for the decline in corn acreage.

Corn acreage should not go below 1944 levels in the years immediately ahead unless the decrease is more than offset by increases in small grain acreage. An increase of 25 percent in total small grain acreages for 1945 would be feasible, with most of the increase in oats. Emphasis should be placed on more small grains in all areas of the Southeast and especially in the Piedmont.

In most areas small grain yields compare favorably with corn in terms of digestible nutrients per acre. In

addition, small grains have a number of advantages over corn in many areas, important among them being that small grains can be followed with a legume hay crop, usually lespedeza, thus getting two feed crops in 1 year from the same land. Furthermore, the growing of small grains normally means a better cover during the winter than would otherwise be the case. The availability of an adequate quantity of seed of improved varieties will facilitate this shift.

Small grains for grazing should also be increased again in 1945—to provide winter and early spring grazing for all classes of livestock, particularly for hogs and dairy cows. It has always been difficult for coastal plains farmers to feed their hogs until peanuts are ready to be grazed off.

Hay—Pasture—Cover Crops

Next year's hay acreage could be increased substantially by following a greater proportion of the small grain acreage with lespedeza. This is perhaps the most satisfactory for obtaining larger quantities of hay. Owing to high cost and scarcity of seed, this year's acreage of cowpea hay was greatly reduced, so that an increase of as much as 40 percent is desirable for next year in the interest of utilizing available cropland and providing a more balanced ration for livestock on hand. Soybean hay acreage was also low in 1944 and should be increased where feasible.

Southeastern farmers should expand the acreage of kudzu and sericea lespedeza as rapidly as possible. Not only are they valuable hay and pasture crops but they are considered by most agricultural workers to be one of the best ways to arrest erosion.

Although cover crops have been recommended for many years, less than 15 percent of all cropland in the Southeast was so covered during the winter of 1943-44. About half this acreage was covered with small grains, the other half with Austrian winter peas and vetch. Obstacles to the

successful production of Austrian winter peas and vetch are numerous, but blue lupine, a newcomer, seems to have possibilities. Planting of the latter has been rapidly expanding within the past 3 years, with its use expected to expand tenfold within the next 4 or 5 years. Blue lupine seems particularly adapted to the coastal plains areas of Georgia, Florida, and Alabama, and it may have an advantage over other winter legumes—because results indicate that seed might be produced locally.

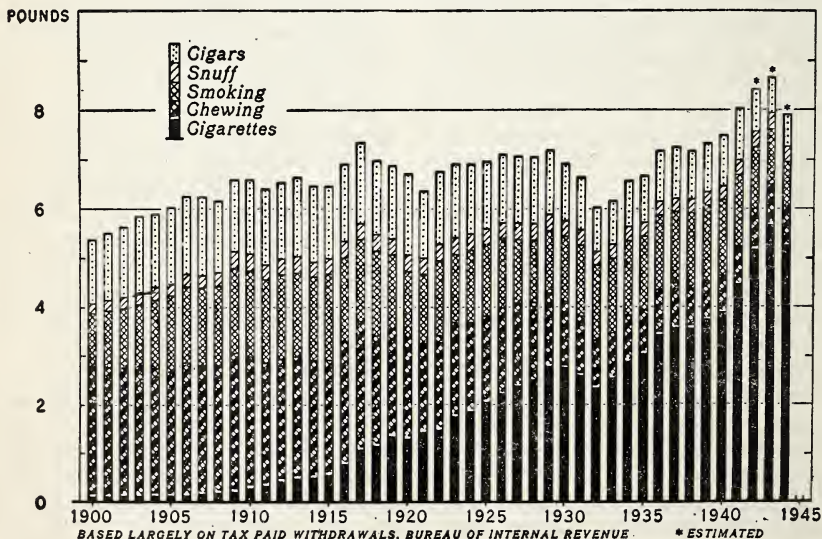
Along with the need for better grain yield goes the need for improved pastures in the Southeast, where acreages continue to be totally inadequate. There are many reasons for this. In the first place, costs of establishment are very high, in many instances amounting to as much as the value of the land where the pasture would be established. Secondly, information concerning the suitability of different soil types and conditions for pasture is inadequate. Nevertheless, southeastern farm operators should take

advantage of AAA assistance to establish as much pasture as possible in the next few years. The availability of pasture, a cheap source of feed, will become more important in maintaining livestock numbers as prices received for livestock products return to normal relationships.

Livestock

Acreage and production of feed crops this year was considerably below that of 1943, in spite of the fact that larger numbers of livestock will be on hand next January 1 than a year earlier. This means that production of some livestock will have to be reduced in 1945. Indications are that production of commercial broilers and number of sows farrowing should show some reduction and that marketings of cattle should be somewhat heavier than during 1944. To prevent egg marketing difficulties the number of hens should be reduced slightly, with an effort being made to distribute production more uniformly throughout the year. An increase in the number of turkeys raised would be desirable.

TOBACCO PRODUCTS: CONSUMPTION PER CAPITA IN THE UNITED STATES, 1900-1944



The Southeast is a deficit area in the production of dairy products, yet local needs for milk make advisable higher production of that commodity even if heavier feed imports become necessary. The outlook for feed supplies in other parts of the Nation has been materially improved by excellent feed crop yields and a downward adjustment of live-stock numbers during 1944. For this reason substantial quantities of grain should again be available for shipment into the region.

Crop Management Practices

Increased emphasis in 1945 should be placed on improved practices as a means of increasing yields and total production. Heavier applications of fertilizer offer the greatest opportunity. This is particularly true of corn, cotton, and small grains, even though average per acre applications have increased steadily during the war.

The Mississippi Experiment Station results indicate that the application of 32 pounds of nitrogen will return 10 to 15 bushels more corn per acre in nearly all parts of the State. It has been estimated that average fertilizer applications on cotton could be profitably increased an additional 100 to 150 pounds per acre with present price relationships.

Opportunities for increasing small grain yields are also excellent. Much can be done in 1 year's time. Data from the Alabama Experiment Station indicate that each 16 pounds of nitrogen up to and including 48 pounds per acre will increase the yield of oats 10 bushels per acre. Data from other Southeastern experiment stations show comparable results.

Experimental results indicate that peanuts should be fertilized with about 400 pounds of a suitable complete fertilizer if for no other reason than to maintain the level of soil productivity. Few farmers follow this practice at present, because a current year's production does not always reflect the fertilizer application.

Dusting of peanuts has been demon-

strated to result in substantial yield increases. Further, it is a simple operation to carry out. Estimates indicate, for example, that only one percent of Georgia's peanut acreage was dusted in 1943. Yet an estimated 75 percent of the total acreage is affected with leaf spot diseases every year, suggesting the desirability of dusting. The treating of peanut seed for soil-borne diseases also offers an opportunity for substantial yield increases with little extra work and expense. Only about 10 percent of the peanut seed was treated in 1943.

There has been a tendency during the war for farmers to reduce the quantity of peanut seed planted per acre because of high seed costs. Experiments indicate conclusively that "skimping" on seed is extremely uneconomical, because lower yields are certain to result. Experiments also show that most farmers could profitably plant more peanut seed per acre than is their usual practice up to the point where further shortening of the distance between rows is prohibited by the size of the implement used for cultivation.

These are but a few of the great number of improved practices that could be followed immediately by a great many southeastern farmers with considerable profit to themselves.

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INCOME TAXES

FARMERS this year have until January 15, 1945 to file with their Federal Collector of Internal Revenue declarations of estimated tax for 1944 income. Final returns are due by March 15, 1945. But if a farmer files his *final* return for 1944 by January 15, 1945 no other report is required.

South Central Region

WAR HAS produced many changes in the agriculture of the South Central region,¹ but production goals and supporting programs for 1945 make no new demands on the region's farm resources. Adjustments for the year ahead represent, in the main, a continuation and refinement of those taking place during 1944.

Labor

Many agricultural counties in the South Central region have lost 20 percent or more of their 1940 population to the Nation's war industries. The heaviest exodus of farm people appears to have been from areas where production methods involve large amounts of hand labor and where farming is least rewarding. In these areas, the largest of which is the Coastal Plains, a reduction in the labor force necessitates a direct curtailment of crops with heavy labor requirements such as peanuts, cotton, and truck. As there are few opportunities in these areas for shifting immediately to more extensive lines of production, many farms are partly idle and some have been completely vacated.

In contrast, the reduction in the labor force of the more commercialized farming areas, while somewhat less severe, has been offset in considerable part by increasing the output of the remaining workers through greater use of mechanical power and through adjustments in cropping systems which distribute the work load and make for more efficient use of labor.

Throughout the region, however, the use of available labor with maximum effectiveness remains a problem of paramount importance to farmers in making their production plans for 1945. Moreover, the solutions farmers find to this problem may well prove to be important steps toward improving their position after the war.

¹ Louisiana, Arkansas, Oklahoma, Texas.

For much of the region, cotton promises to continue as the principal enterprise around which farming systems are organized. At parity prices cotton provides a more attractive return per acre than any important crop alternative in the main cotton-producing areas. In general, farmers in these areas find it profitable to plant as large an acreage of cotton as is practicable with the labor force in prospect. And so the difficulties farmers are reported to have encountered in finding labor to handle the current cotton crop, however, suggest that they are not likely to risk planting an acreage much, if any, larger next year.

Cotton

In the Delta, an area which is eminent in its advantages for cotton production, other crops seem assured of an important place in production plans for next year. In view of prospective returns, it will not be profitable to leave idle any cropland suitable for oats, corn, or soybeans—even though some planters may find it necessary to grow less cotton in order to make labor available for fully exploiting the possibilities of these crops. Similar problems are involved in choosing the most profitable combination of cotton with competing crops in other areas.

In the western cotton areas of Oklahoma and Texas, the introduction of sorghum varieties suitable for combine harvesting gives promise of making this crop almost as profitable as cotton. Moreover, substituting grain sorghums for cotton offers an advantage not readily expressed in dollars—that of alleviating the dependence on an unassured supply of migratory labor at harvesttime. But under prevailing price relationships, the lack of combines has been and promises to continue as the important limitation on the extent of this substitution.

The successful introduction of mechanical cotton harvesters (at estimated savings of about \$21 per bale over hand harvesting methods) suggests that as the use of this equipment becomes widespread, cotton will recover most of its former advantages over sorghums. While important advances in the mechanization of cotton production now appear assured in these western areas, and in the Delta as well, it seems improbable that these advances will be sufficient by 1945 to disturb competitive relationships to any important extent.

Peanuts

Although the war brought large increases in the acreage of peanuts in 1942 and 1943, the somewhat smaller acreage planted in 1944 probably represented better use of farm resources. In most of the commercial peanut areas the 1943 acreage was larger than could be continued within the limits of necessary crop rotations and in some cases larger than could be handled adequately by the labor force available. A reduced acreage in 1944 was a logical adjustment to these circumstances—circumstances which are not conducive to increased acreage in 1945.

Outside of the commercial areas there is a large acreage of land suitable for peanut production, but in these areas the outcome of farmers' efforts to produce peanuts in 1942 and 1943 was unsatisfactory, and many new growers dropped out in 1944. Reported as contributing to the poor outcome of attempts to produce peanuts in these new areas were: (1) the poor quality of planting seed available, (2) unfamiliarity with necessary production practices, (3) a shortage of harvesting machinery, and (4) inadequate marketing facilities. More than a few new growers have demonstrated that peanuts, when grown according to good practices, will give a larger return than cotton in most sandy areas of the region. But it is unlikely that farmers in these areas will attempt any

significant increase over this year's acreage without assurances, more specific than in the past, to protect their investment.

Soybeans

Soybeans, the only other oilseed crop the region produces in important quantities, are adapted only to the Delta and a few other alluvial areas of similar character. Here the acreage planted for beans has increased considerably over pre-war levels, but a large part has been lost each year. Better production methods, rather than further increases in the acreage planted, offer the main possibility of increased bean production in 1945—and these include adequate cultivation to keep down weed competition, insect control in the lower parts of the Delta, and timely harvesting.

Wheat—Sorghums

In the wheat-growing areas of the western part of the region, grain sorghums have challenged the status of wheat as the "first choice" crop. There are indications that on some soils often used for wheat production, grain sorghums will produce somewhat more grain per acre. However, in this area of erratic rainfall, the yield advantages of grain sorghum have not yet been demonstrated as being sufficient to warrant many wheat farmers passing up a fall season suitable for planting wheat. Improvements in varieties have, however, greatly enhanced the value of grain sorghums as a catch crop and as a supplemental enterprise on wheat farms.

When wheat acreage controls were in force, much of the nonwheat land was used for growing sorghums, a crop which ordinarily is not off the land until after time for fall seeding of wheat. Hence, as demands for wheat increased, farmers found it impossible to immediately divert sorghum acreage to wheat without sacrificing total grain production. Increasing the wheat acreage has necessarily involved careful forward planning over several

crop seasons. Prospects are good, however, for a near-record acreage of wheat for harvest in 1945.

Rice—Sugarcane

The acreage of rice has increased by about one-third during the war. There has been an important acreage of land developed for rice production, but the larger part of the increased production is attributed to a shortening of rotations. Some growers have risked overplanting their available water supplies. However, prospective prices again offer a strong inducement to defer the resumption of longer rotations, and farmers have learned that declining fertility can be offset, in part at least, by use of fertilizer. Moreover, the rapidly expanding use of combine harvesters offers hope of lessening labor difficulties at harvest time. Hence, the main consideration pointing toward a slight reduction in rice acreage next year is that of employing more prudent policies in the use of water.

Sugarcane production in Louisiana is closely related to the crushing capacity of sugar mills. A large crop can be handled only by extending the harvest into late winter, which entails a proportionately increased risk of freeze damage and loss by growers. With average yields, a cane crop of about 290,000 acres, including seed cane, is considered the optimum size. Although high production costs have lessened the incentive for assuming the risks of a larger crop, the possibilities of reducing production costs which are offered by the mechanical harvester and flame cultivator give encouragement to the attainment of an optimum acreage in 1945.

Livestock

In considering prospective livestock adjustments, the preponderance of land in the region available for grazing demands that forage consuming livestock should be given preference over those dependent on concentrate feeds. However, most farmers have already

found it necessary to align grain consuming livestock enterprises with a short and high priced feed grain supply. A notable adjustment has been the 33-percent drop in the number of sows expected to farrow this year as compared with 1943. Although prospective returns from selling grain for cash and from alternative enterprises appear favorable, the maintenance of or a slight increase in farrowings in 1945 seems desirable. A curtailment in poultry enterprises, particularly in laying flocks, also appears desirable if a repetition of the market gluts this year is to be avoided.

Range Conditions

A series of years which have provided above-average range conditions in combination with high livestock prices have encouraged very large cattle and sheep inventories in the range areas. These inventories are excessive from the standpoint of stocking rates which will ordinarily leave a safe reserve. Although there has been some liquidation, further reductions in anticipation of less favorable pasture conditions appear inevitable—and it is in keeping with good ranch management to make this adjustment while markets will absorb the excess at favorable prices. Compared with cattle, sheep are in relatively the least favorable competitive position and the downward adjustment in numbers which started in 1943 has continued. It therefore appears that relatively the heaviest reduction might be made in sheep numbers in 1945.

Offsetting the reduction in the cattle population of the range areas, have been increases in both dairying and in beef production in the more humid eastern part of the region where these enterprises, along with feed and pasture crops, have been expanded at the expense of labor-intensive crops. Giving impetus to this adjustment has been the introduction of better varieties of small grains, particularly oats.

There has been a rapid shift toward replacing corn with winter oats—a crop which can be followed by legumes for hay and which furnishes valuable winter pasture. Further adjustments in this direction are in prospect for 1945, making additional feed and pasture available which can be profitably utilized for dairy and beef production.

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FOOD

TOTAL civilian food supply in 1944 was at least 7 percent above the average of the five pre-war years, 1935–39.

For 1944 as a whole, civilian supplies of most of the manufactured dairy products, canned fruits and vegetables, better grades of beef, and turkeys were short of civilian demand at ceiling prices. But cereal products, lard, margarine, eggs, pork, canned fruit juices, and the principal fresh fruits, particularly citrus, were available to civilians in relatively large quantities. Even though sales of fluid milk and cream were somewhat restricted, their consumption reached a new high, very important in meeting civilian nutritive needs.

Civilian meat supplies, particularly pork, were very large until summer. Since then, they have been reduced considerably by seasonal decreases in production during the summer and by markedly increasing war requirements, for the last quarter. However, meat consumption for the year as a whole will probably be from 140 to 145 pounds per capita, compared with the 126-pound average in 1935–39.

About 347 eggs per capita were consumed in 1944, a trifle more than last year, but chicken consumption fell off because of the larger supply of other meats and heavy noncivilian requirements. Turkey supplies for

civilians for the year as a whole were as large as last year, but noncivilian takings were particularly great this fall.

Fluid milk consumption reached a new high this year, but less condensed and evaporated milk was available for civilian consumption. Civilian butter supplies per capita for the year approximated those of last year, about 12 pounds, over 25 percent below the pre-war rate. Lard consumption was below the 1943 level although supplies were generally adequate to meet civilian food demand at ceiling prices.

Civilian fruit and vegetable supplies in 1944 were about the same in total as in an average pre-war year (1935–39), with large supplies of fresh vegetables and fruits and canned fruit juices but short supplies of other commercially canned goods, because of heavy war requirements. Supplies from Victory Gardens supplemented commercial production. Potato consumption was a little below pre-war levels because of the short 1944 crop and large noncivilian takings. Cereal products were generally plentiful in 1944.

Statements from the Department of Agriculture Interbureau Committee on Post-war Programs. Submitted to the House Special Committee on Economic Policy and Planning, August 23, 1944. Processed. 45 pp. Bureau of Agricultural Economics. Washington. August 1944.

Contains statements on post-war programs for agriculture as they relate to employment, farm technology, marketing, price policies, forest conservation, soil and water conservation, rural electrification, housing and health, social security, and farming opportunities for veterans.

Let's Talk About When Joe Comes Home and Comes Back to the Farm. DS 24. 6-page folder. Printed. Bureau of Agricultural Economics. Washington. September 1944.

Discusses what the community and the individual can do to help the men and women discharged from the armed services.

Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39 =100) ¹	Income of in- dustrial workers (1935-39 =100) ²	1910-14=100			Index of prices received by farmers (August 1909-July 1914=100)				
			Whole- sale prices of all com- modi- ties ³	Prices paid by farmers		Farm wage rates	Livestock and products			
				Com- modi- ties	Com- modi- ties, interest, and taxes		Dairy prod- ucts	Poul- try and eggs	Meat ani- mals	All live- stock
1934.....	75	76	109	122	129	95	101	89	70	84
1935.....	87	86	117	125	130	103	114	116	116	115
1936.....	103	100	118	124	127	111	125	114	118	120
1937.....	113	117	126	131	133	126	130	110	132	127
1938.....	89	91	115	123	126	125	114	108	115	113
1939.....	109	105	113	121	124	123	110	95	112	108
1940.....	125	119	115	122	125	126	119	96	111	112
1941.....	162	169	127	131	132	154	139	121	146	140
1942.....	199	238	144	152	150	201	162	151	188	173
1943.....	239	305	151	167	162	264	193	190	209	200
November.....	247	318	150	171	166	-----	202	219	193	201
December.....	241	316	151	173	167	-----	203	212	194	200
1944 January.....	243	319	151	174	168	275	201	177	194	193
February.....	244	321	151	175	169	-----	201	168	199	194
March.....	241	318	152	175	169	-----	199	162	203	194
April.....	239	313	152	175	169	292	196	151	203	191
May.....	237	313	152	175	169	-----	194	153	201	190
June.....	235	313	152	176	170	-----	192	154	200	189
July.....	231	306	152	176	170	328	194	165	197	190
August.....	232	310	152	176	170	-----	196	171	201	194
September.....	231	307	152	176	170	-----	198	179	200	196
October.....	230	-----	152	176	170	325	201	190	201	199
November.....	-----	-----	-----	177	171	-----	203	207	200	202

Year and month	Index of prices received by farmers (August 1909-July 1914=100)								All crops and live-stock	Parity ratio ⁴
	Crops									
	Food grains	Feed grains and hay	To-bacco	Cotton	Oil bearing crops	Fruit	Truck crops	All crops		
1934.....	91	95	159	97	95	88	95	98	90	70
1935.....	97	107	174	94	120	82	119	102	109	84
1936.....	108	102	165	95	112	92	104	107	114	90
1937.....	120	125	204	90	120	104	110	115	122	92
1938.....	75	71	176	67	88	70	88	80	97	77
1939.....	72	69	155	70	90	68	91	80	95	77
1940.....	84	82	136	77	96	73	111	88	100	80
1941.....	97	89	159	107	130	85	129	106	124	94
1942.....	120	111	252	149	172	114	163	142	159	106
1943.....	148	147	325	160	190	179	245	183	192	119
November.....	160	158	347	156	202	196	228	187	194	117
December.....	166	165	349	160	202	208	223	192	196	117
1944 January.....	170	168	350	162	203	204	267	199	196	117
February.....	170	169	348	161	205	206	247	196	195	115
March.....	169	171	351	161	207	215	242	198	196	116
April.....	171	172	352	163	207	237	220	200	196	116
May.....	170	173	350	160	208	232	225	198	194	115
June.....	165	170	350	163	210	228	231	197	193	114
July.....	161	168	350	164	209	230	195	194	192	113
August.....	156	166	355	162	209	214	186	191	193	114
September.....	155	162	358	170	207	206	166	188	192	113
October.....	164	161	357	171	211	205	153	187	194	114
November.....	165	157	368	168	215	185	188	189	196	115

¹ Federal Reserve Board, adjusted for seasonal variation, revised November 1943.

² Total income, adjusted for seasonal variation, revised March 1943.

³ Bureau of Labor Statistics.

⁴ Ratio of prices received by farmers to prices paid, interest and taxes.

NOTE.—The index numbers of industrial production and of industrial workers' income, shown above, are not comparable in several respects. The production index includes only mining and manufacturing; the income index also includes transportation. The production index is intended to measure volume, whereas the income index is affected by wage rates as well as by time worked. There is usually a time lag between changes in volume of production and workers' income since output can be increased or decreased to some extent without much change in the number of workers.